

FON SIS

International Forum of the
Sovereign Wealth Fund



African Private Equity and
Venture Capital Association



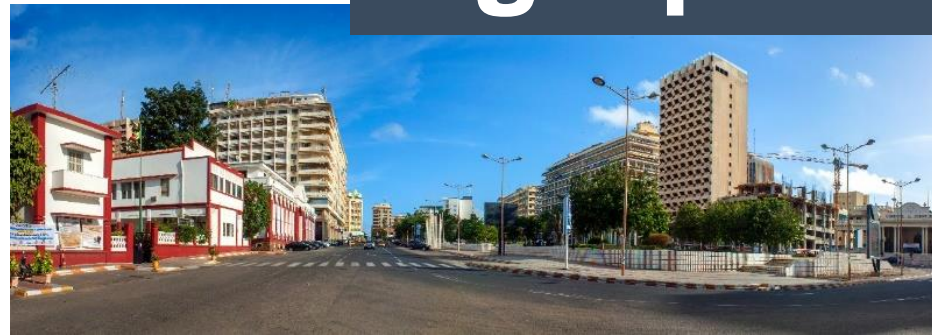
One Planet Sovereign
Wealth Funds



United Nations Framework
Convention on Climate
Change



Agropole Sud | September 2020





Pictures of South Senegal (Casamance)



Country overview

Project description

Key partners & Investment Scheme

Project implementation milestones

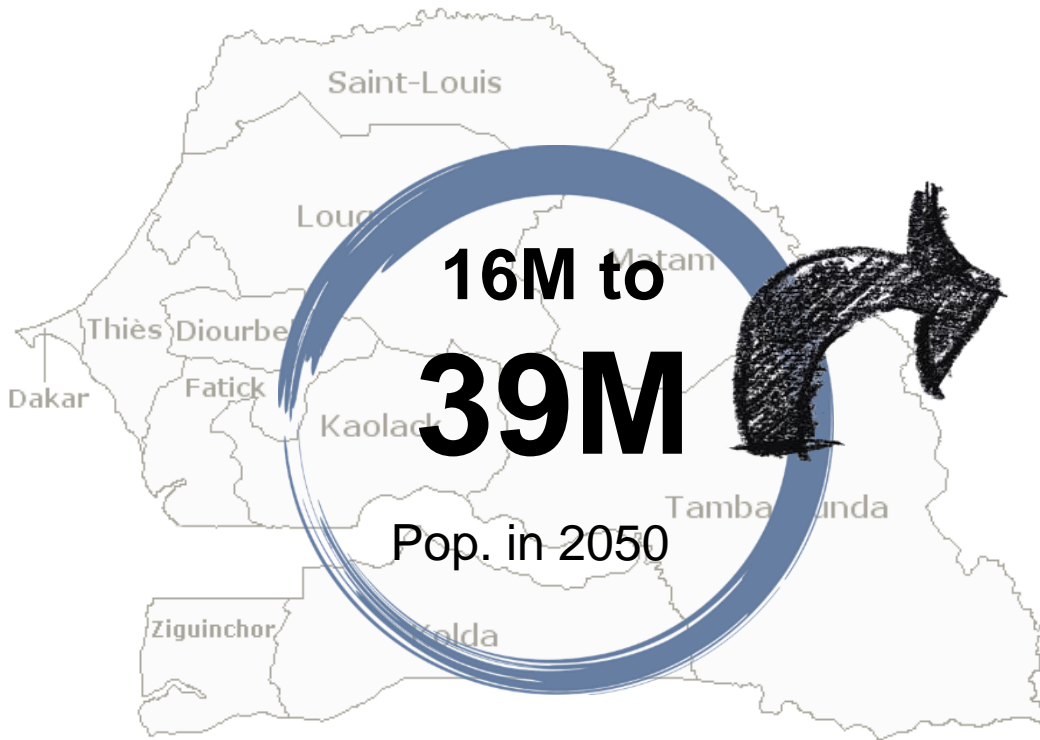
AGENDA

- 03

- 07

- 08

- 14

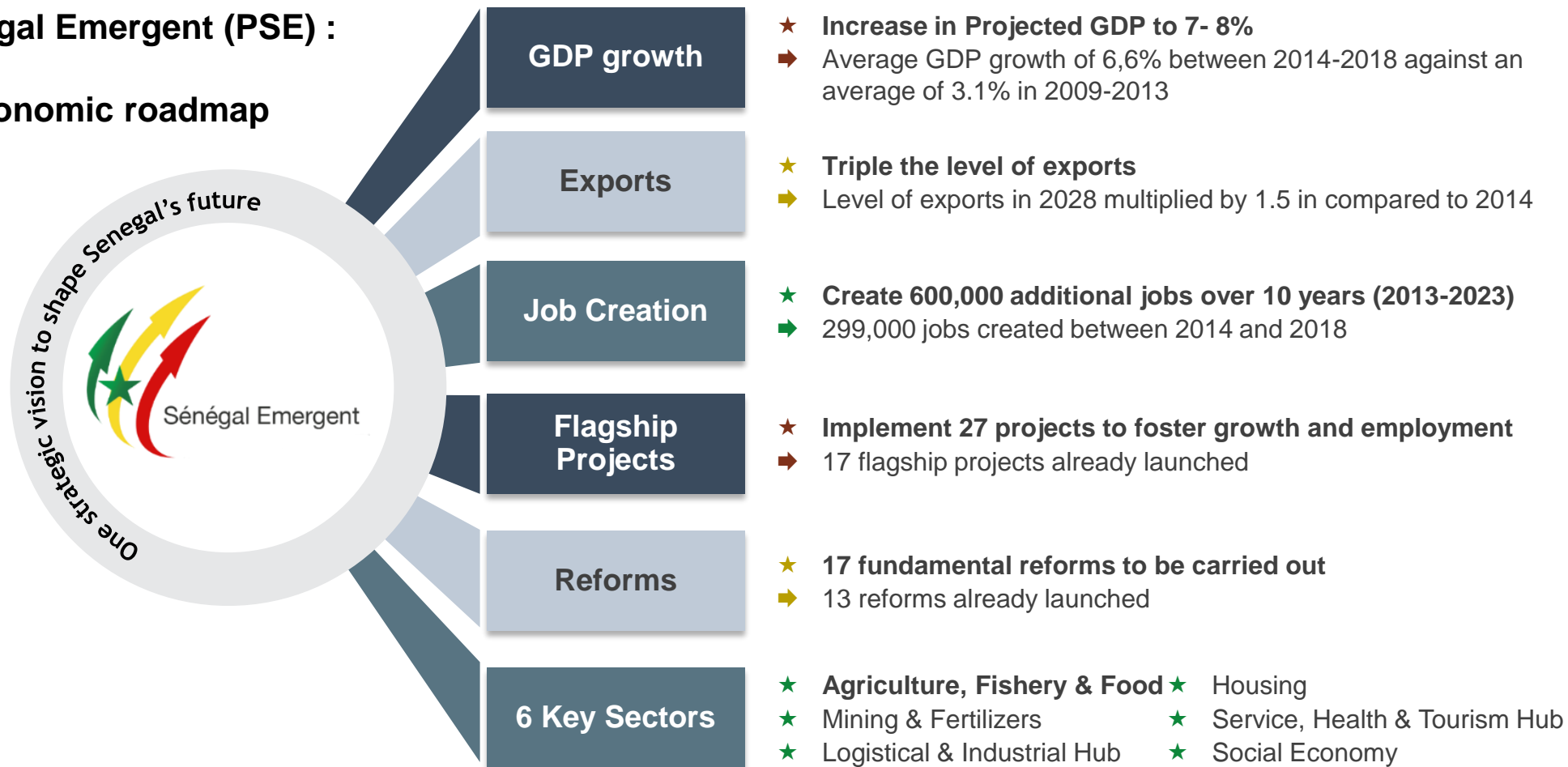


Sectors presenting considerable challenges :

- **Agribusiness**
- **Health & Pharmaceuticals**
- **Education**
- **Infrastructure & Systems**
- **Social and Digital Infrastructure**

Plan Sénégal Emergent (PSE) :

An economic roadmap

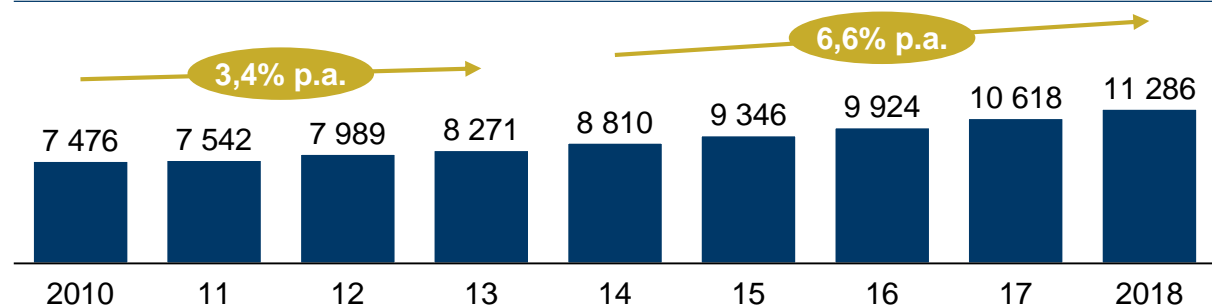


The launch of PSE has triggered a new economic momentum

Strong increase in GDP and FDI since 2014 ...

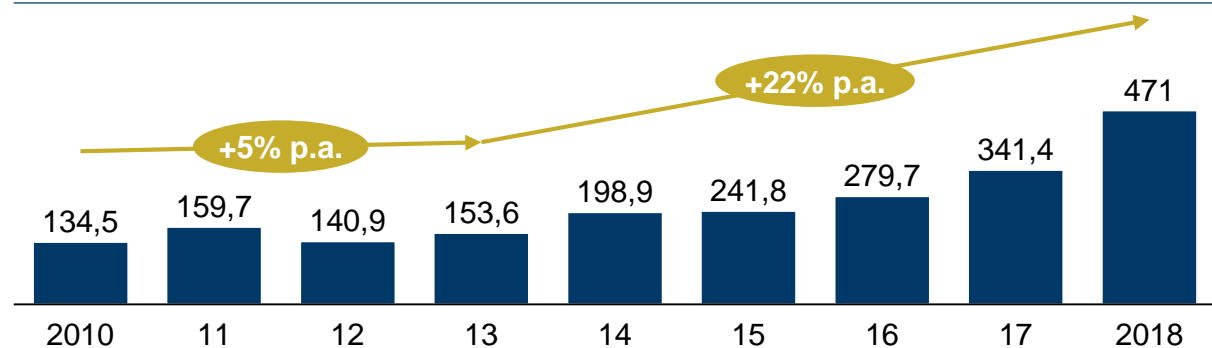
GDP, 2014-2019

Mds FCFA constant 2014



FDI, 2010-2018

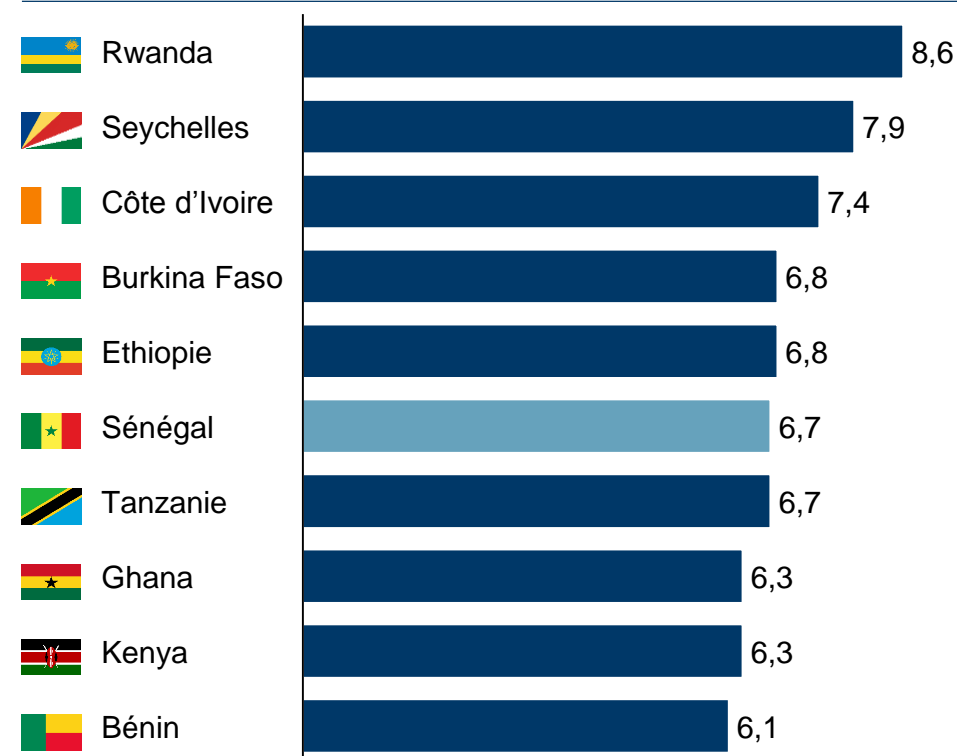
Mds FCFA Taux de change annuel



.... Positioning Senegal among the most dynamic economies on the continent

Real GDP growth by country in 2018, top 10¹

Pourcentage



1. Excl. Libya with 11% growth rate due to post crisis catch up effects

SOME KEY REFORMS SUCCESSFULLY IMPLEMENTED



Business environment attractivity

- Senegal's **Doing Business ranking** went from 178th place in 2014 to 123rd place in 2020, **a gain of 55 places**
- **FDI annual growth rate of 22%** on the period 2014-2018 against **5% on 2010-2013**



Special Economic Zones (SEZ)

- Law on SEZ voted
- The country rolled out 3 SEZ (Diass, Diamniadio et Sandiara) on the last 3 years



Commercial Courts

New law voted in 2020 relating to the creation, organization and functioning of commercial courts and commercial courts of appeal:

- Allows a **better management of commercial litigations**
- Ensures a **better business climate** for local and international investors



PPP law

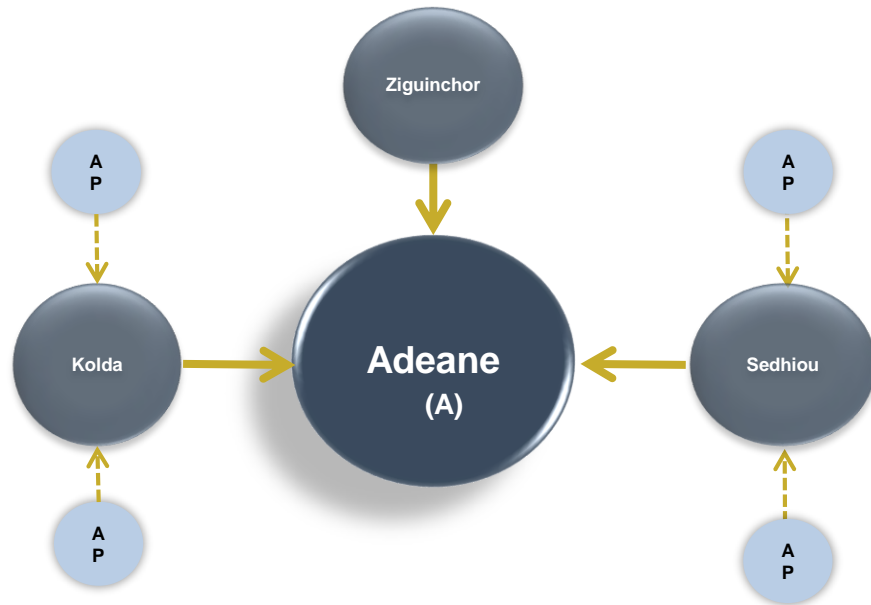
The new PPP law (whose vote is imminent) will improve the legal framework of PPPs by:

- **extending the latter's definition;**
- establishing a clear institutional framework to ensure the **delivery performance**

AGROPOLE SUD



Agroindustrial park with world class services focused on high value added fruit processing for exports and domestic sales



Central Module (A) | 50ha

- Serviced Land
- Infrastructure
- O&M services
- Incentives

Secondary Modules | 10ha each

- Fruit collection, preliminary conditioning

AP | 5ha

- Collection & Aggregation, sorting and preliminary conditioning of fruits

The project “AGROPOLE SUD” is the **first of a series of 4 agropoles** to be implemented throughout the country in the coming 5 years.

AGROPOLE SUD aims to set up in the south region (Ziguinchor, Kolda, Sedhiou) , a **world class Special Agro-Processing Zone** to translate the region’s huge agroforestry potential into GDP and job creation engine.

AGROPOLE SUD will be **managed by a private company named “Société de Construction et d’ Exploitation (SCE)”** created for this purpose by FONSI.

The Agro-industrial park will provide world class serviced land and industrial warehouses for the **processing of cashew and mango** in the project first phase.

The project boasts strong financial, economic and social impact, with a projection of **10 000 direct and indirect jobs**.

KEY PARTNERS

FONSIS
(Sovereign Wealth Fund)

MDIPMI
(Ministry in charge of Industrial
Development)

BOS / PSE
(President Delivery Unit)

TRIPARTITE CONVENTION

- Signed between the 3 entities in January 2019 to supervise the project's development
- Mandates FONSIS to create the SPV ("Société de Construction et d'Exploitation – SCE") in charge of the construction & management of AGROPOLE SUD

SCE

- Mobilizing technical & financial partners
- Financing basic private investments
- Promotion, management and maintenance

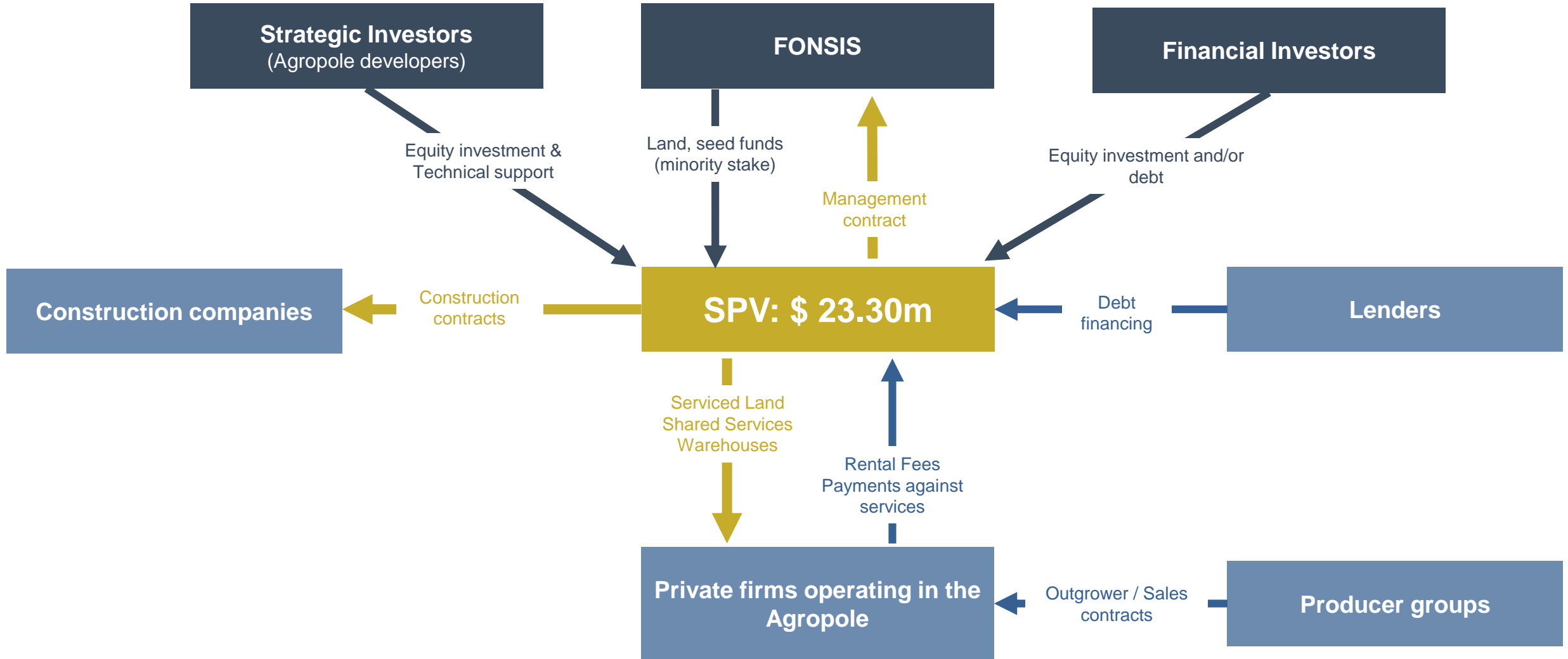
CEP

- Construction of state-funded infrastructure
- Institutional support to the project
- Coordinates the public entities support

Strategic Investor(s)

- Equity financing
- Technical support in operating the Agropole
- Business network for the promotion of the Agropole

TRANSACTION STRUCTURE



Public Component

State funding (grant) : **\$97m**

Through :

- AfDB : \$48.3m
- IsDB : \$30.2m
- State budget : \$18.5m

Objectives

- Agropole hard infrastructure in and out each module (energy, access roads, W&S)
- Technical assistance/capacity building to strengthen the targeted value chain
- Support to community resilience and E&S measures implementation

SPV

SPV private funding : **\$23.3m**

Through :

- Equity : \$7m
 - Commitment FONSI : \$2.4m
 - **Equity Gap : \$4.6m**
- **Debt to be raised : \$16.3m**

Objectives

- Construction of commercial shared infrastructure (logistics platform inside the Agropole, industrial sheds, etc.)
- Management & operations of the Agropole
- Attract further investment (local and FDI)



Total Cost
\$120.3m

excluding estimated
investments of Agropole Clients

Technical Analysis

AGROPOLE COMPONENTS

- Central module (85 Ha)
- Regional module (10 Ha)
- Aggregation platform (5 Ha)

SUPPORT INFRASTRUCTURE

- Airport in Ziguinchor (34 km)
 - Port in Ziguinchor (32 km)
 - Transgambian road (7h to Dakar)
-

Market Analysis

MAIN CROPS

- **Cashew** (64 000 Tons of which less than 5% are valued)
- **Mango** (72 000 Tons with 50% post-harvest losses. Only 2% of transformation rate)

OTHERS

- Rice, millet & peanuts
 - Bananas, citrus fruits & horticulture
 - Milk
-

Regulatory Analysis

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- Fiscal & other incentives included in the public investment code
 - Strong involvement of the State of Senegal (grant, incentive package)
 - Project coordination through steering committee composed of relevant key stakeholders
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Environment Analysis

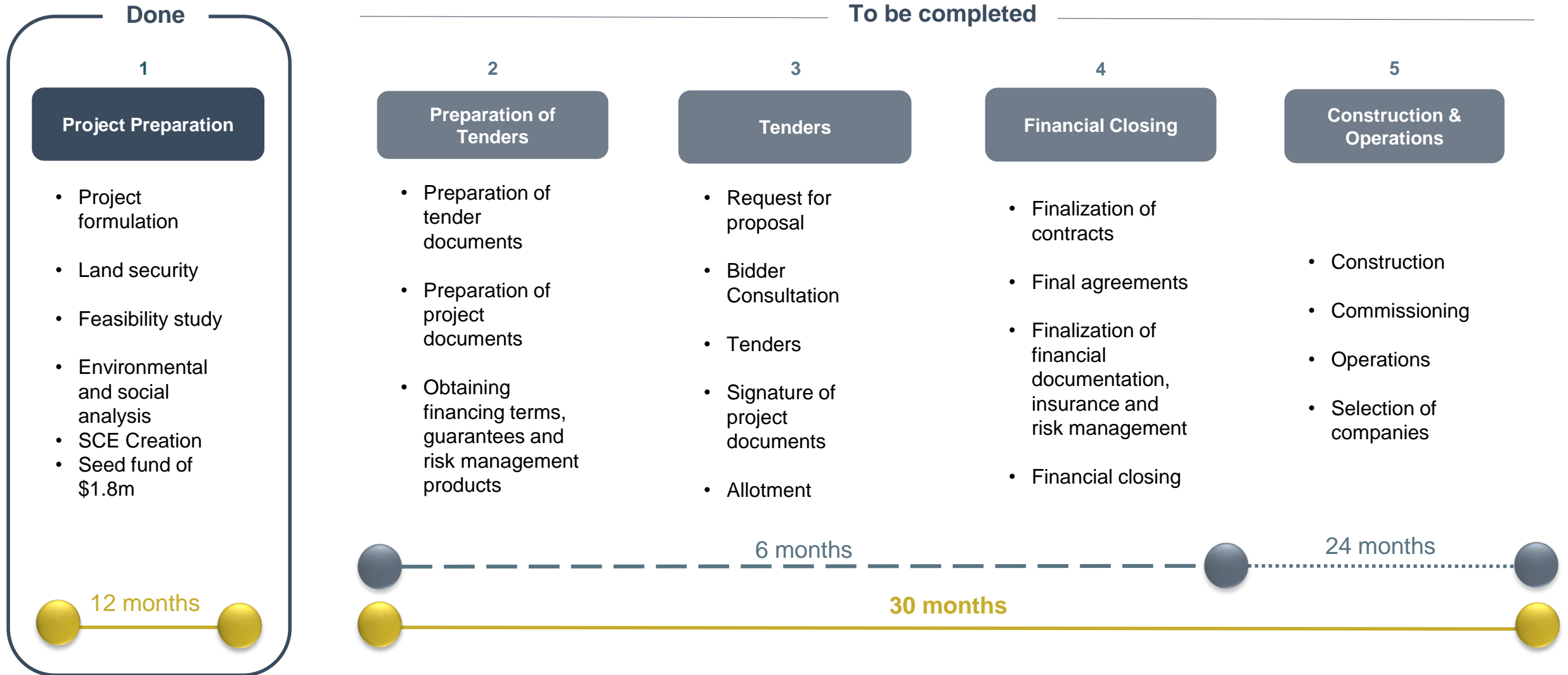
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- A detailed Environmental & Social Impact Assessment (ESIA) including a Monitoring Plan was validated by the Ministry of Environment.
 - Resettlement Action Plan will be implemented and funded by the State
 - Curb illegal deforestation
 - Fight against poaching
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Social Analysis

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- Reinforcing peace through economic empowerment & jobs creation
 - Capacity building for women
 - Know-how transfer and world-class practices
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IDENTIFIED RISKS	MITIGATION
<p>Economic</p> <ul style="list-style-type: none"> ▪ Sustainable GDP Growth 	<p>Strong economic growth with about 6% GDP growth from 2014 to 2019 Good perspectives with upcoming Oil & Gas industry</p>
<p>Political</p> <ul style="list-style-type: none"> ▪ Rebellion in Casamance 	<p>Internationally known for political and democratic stability New sustainable peace process since 2012 Economic opportunities are key to ensure peace Buy in of local communities</p>
<p>Technical & Technological</p> <ul style="list-style-type: none"> ▪ Lack of Infrastructure & Process 	<p>World-class standards Technological support at all level by the strategic partner Construction of an incubation center</p>
<p>Commercial</p> <ul style="list-style-type: none"> ▪ Regional competitive markets ▪ Securing off-takers 	<p>Market opportunities (WAEMU, ECOWAS, AfCFTA, EPA, EU-ACP) Comparative benefits (close to international markets – Europe, US & Canada, Latin America, low labor force cost) Increasing local demand with established distribution channels</p>
<p>Delivery</p> <ul style="list-style-type: none"> • Public Investment component 	<p>Solid track record by FONSI & BOS in implementing & monitoring strategic projects (tripartite convention signed with the MDIPMI)</p>
<p>Environmental</p> <ul style="list-style-type: none"> ▪ Deforestation ▪ Externalities 	<p>Reforestation program Construction of a waste treatment plant</p>

PROJECT IMPLEMENTATION MILESTONES



- We are looking for an **experienced world-class strategic investor to invest in equity (\$4.6m)**
or provide technical know-how in operating and managing a world-class **Agro-Industrial Processing Zone**
- We are also looking for lenders for the **debt component of the project for about \$16.3m**
- Finally, we are seeking private investors interested in transformational projects that not only generates **financial returns** but also creates a **positive economic, social or environmental impacts.**



ANY COMMUNICATION ABOUT AGROPOLE SUD PROJECT MUST BE ADDRESSED TO:

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